

TENNESSEE REGULATORY AUTHORITY

Ron Jones, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Sara Kyle, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

October 31, 2005

VIA FACSIMILE AND U.S. MAIL

Charles B. Welch, Jr., Esq.
Farris Mathews Branam Bobango Hellen & Dunlap, PLC
Historic Castner-Knott Building
618 Church Street, Suite 300
Nashville, TN 37219

Re: Time Warner Telecom of the Mid-South, LLC – Debt Financing Transactions
TRA Docket No. 04-00051

Dear Mr. Welch,

I am writing in response to your letters of October 25, 2005 and October 27, 2005 addressed to Chairman Ron Jones regarding the transaction of Time Warner Telecom Inc., Time Warner Holdings, Inc. ("TWTC Holdings"), and Time Warner Telecom of the Mid-South, LLC ("TWTC-TN") (jointly, "Time Warner") approved by the Tennessee Regulatory Authority ("TRA") in the above-captioned docket. As described in your letters, Time Warner filed a petition with the TRA on February 17, 2004 for approval of a debt issuance that involved the pledge of the Tennessee assets of TWTC-TN. The TRA approved the petition on April 12, 2004, as reflected in the Order issued on May 18, 2004. The Order describes the transaction in part and also specifically reflects approval of the petition as filed with the TRA.

In your letter of October 25, 2005, you explained that Time Warner previously has opened and closed the approved debt offering based on market conditions and with the assent of the TRA. According to your letter, TWTC Holdings now intends to reopen the debt offering and enter additional fixed-rate, fixed-term credit facilities in association with the debt offering, which will be guaranteed by each state's operating subsidiary, including TWTC-TN. You affirmed that the transactions will not cause the assets of TWTC-TN to "be exposed to contingent liability, pursuant to the terms of its guaranty, in excess of the amount previously approved by the 2004 Authority Order. In addition, the revolving credit facility, under the existing credit facility, will be reduced from \$150 million to \$110 million." Your letter of October 27, 2005 further specified that the financing institutions have agreed to provide Time Warner additional flexibility by increasing the amount available through the existing revolving credit facility up to an amount not to exceed \$200 million.

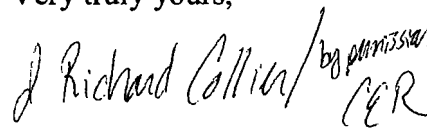
Under the 2004 Order, Time Warner is authorized to assume long-term debt in an amount up to \$950 million. Specifically, Time Warner may issue up to \$400 million in fixed rate Senior

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Notes, may issue up to \$400 million in floating rate Senior Secured Notes, and may enter into a revolving credit facility in an amount up to \$150 million. According to your October 27, 2005 letter, "the maximum amount of long-term debt to be issued as part of the proposed transactions [will] not change and [will] remain under the \$950 million amount previously approved by [the May 18, 2004] Order of the Authority." In addition, the proposed offering results in no additional pledge of the Tennessee assets of Time Warner. Accordingly, it appears that no additional approval of the transaction proposed in your letters of October 25, 2005 and October 27, 2005 is required, provided that Time Warner does not borrow in excess of \$150 million through its revolving credit facility and that it does not assume debt totaling in excess of \$950 million as approved in the May 18, 2004 Order. Please file a petition for approval with the TRA if Time Warner wishes to borrow in excess of \$150 million through its revolving credit facility (i.e. up to the \$200 million being made available through the financing institutions).

Should you have any questions or if there is a change in the factual scenario, please do not hesitate to contact me.

Very truly yours,



J. Richard Collier
General Counsel

cc: Ron Jones, Chairman